

July 12, 2019

Dr. Craig Swenson
President
Ashford University
8620 Spectrum Center Blvd.
San Diego, CA 92123-1406

Dear President Swenson:

During its June 26-28, 2019 meeting, the WASC Senior College and University Commission (WSCUC) considered a proposal submitted by Ashford University (Ashford) for a Change of Control and Legal Status, in which Ashford will separate from its parent corporation Zovio Inc. (Zovio) (formerly Bridgepoint Education Inc.) and incorporate as an independent California non-profit organization. This change is a Structural Change, defined by WSCUC Substantive Change policy as a change in mission, ownership, legal status, or control. Ashford has advised WSCUC that it expects to enter into a contractual agreement under which Zovio would provide OPM services.

Consideration of this Structural Change follows submission by the institution of a proposal and its subsequent review by a panel of the Substantive Change Committee via teleconference on March 28, 2018, submission of additional information requested by the panel, and an on-site visit to Ashford's offices on September 18, 2018.

During its November 2018 meeting, the Structural Change Committee of the Commission reviewed the original Structural Change application materials, the visiting team report, and additional materials that WSCUC requested to supplement the original proposal. At that November meeting, the Commission voted to defer action pending receipt of the penultimate drafts of the OPM Services agreement, the Transition Services Agreement, Letter of Credit agreement, and a schedule of priorities for the Transition Agreement which were described in an executed Letter of Intent between Bridgepoint and Ashford.

At its February 2019 meeting, the Structural Change Committee and Commission considered the additional information submitted. The Commission deferred action, requesting Penultimate Service Level Agreements, including performance specifications and pathways for remediation in case of non-performance of transition and OPM service, and a summary of the final terms and conditions associated with the change to clarify Ashford's rights to control its programs and

operations under the contractual conditions. That information was received by WSCUC for consideration at its June 2019 meeting.

At its June 2019 meeting, the Structural Change Committee considered the original and supplemental materials submitted both to the Substantive Change Committee and Commission. The Structural Change Committee referred to the Commission its recommendation that the Change of Control and Legal Status be approved subject to certain conditions.

After deliberation, the Commission acted to:

1. Receive the Structural Change Committee recommendation.
2. Approve the proposed Change of Control and Legal Status, through which Ashford University will separate from its parent corporation Zovio (formerly Bridgepoint Education Inc.) and incorporate as an independent California non-profit organization, subject to the following conditions which must be met prior to close of the transaction:
 - a. Divestiture of financial and ownership interest in Zovio is achieved by all Ashford officers and their related parties, or if that is not possible consistent with SEC requirements, an alternative arrangement to achieve this outcome is approved by the WSCUC Executive Committee;
 - b. Submission of a revised OPM Agreement with the Key Performance Indicators (as included in Exhibit H in the institution's correspondence to WSCUC dated May 27, 2019) incorporated into that Agreement. The revised OPM Agreement language specifying SLAs should be amended to reflect the addition of the Key Performance Indicators.
3. Require a post-implementation site visit within six months of implementation of the proposed change.

It is the responsibility of Ashford to notify the Commission immediately of the completion of the transaction and the completion of all other necessary approvals for implementation of this change. Upon closing of the transaction, Ashford must report immediately any material modification or changes in the proposed terms to WSCUC which shall determine if further review or action is necessary. It is also Ashford's responsibility to remain in compliance with state and federal law as the change is implemented.

This letter will be posted on the WSCUC website in accordance with WSCUC Commission policy. If Ashford would like to respond to the Commission's findings, a link to your response will be posted on the WSCUC website.

Finally, the Commission wishes to express its appreciation for Ashford's cooperation during this Structural Change review. WSCUC is committed to an accreditation process that adds value to institutions while contributing to public accountability, and we thank you for your continued support of this process.

Please contact me if you have any questions or comments about this letter or the action of the Commission.

Sincerely,



Jamienne S. Studley
President

cc: Members of the Substantive Change Committee panel
Gregory Geoffrey, Chair, Ashford University Board of Trustees
Christopher Oberg, Executive Vice President
John Hausaman, Director of Substantive Change and Committee Relations